

Jams, Jellies, Juices, and Dried Fruits Processing Plant Project

Project Summary

Subsector	Agribusiness
Location	Kandahar, Afghanistan
Project Cost	\$5.0 Million
Project Type	Agribusiness
Project Executing Firm/Agency	Qaderi Group
Financing Agency	Not Identified



Project Outline

Hamid Qaderi is special envoy on behalf of President Karzai dealing with community relations in the south of Afghanistan. Qaderi is a prominent Afghani businessman who operates a freight forwarding operations in Afghanistan. His company has offices in five major entry points for Afghanistan; Kandahar, Herat, Mazar-e Sharif, and Kabul. The business generally has 200 hired trucks transporting goods throughout the country. Associated with Qaderi are several engineers and economists who formerly held senior planning positions within key ministries of the Afghan government.

Qaderi's family previously owned and operated a factory in Kandahar that processed locally grown fruits to produce jams, jellies, juices, and dried fruits. The products were sold in the domestic market as well as in Russia, Iran, Pakistan, Turkmenistan, and the Middle East.

The factory was nationalized more than 25 years ago and ceased production during the war. The promoter's family still holds controlling shares in the facility, but the assets have been largely stripped. Orchards throughout the region are untended but still

produce fruit. Qaderi is hoping to restart operations in Kandahar. He intends to use funding available from international donor agencies such as USAID and FAO to resuscitate the orchards.

Qaderi's company is in the process of finalizing a sole distribution agreement with Siemens to act as their Afghanistan retail outlet for consumer and industrial products. This includes mobile handsets, electronic equipment, lighting products, computers, and medical equipment. He plans to open retail stores in Kabul and nine provincial capitals.

Technical Description

The project requires a feasibility study to investigate the potential of the orchards around Kandahar. Funding for this initiative will likely come from the soon-to-be inaugurated USAID/Afghanistan Rebuilding Agricultural Market Program (RAMP), which will be targeting the redevelopment of agribusiness in Afghanistan. RAMP is likely to focus on this project, among others.

The project promoter envisages the erection of a 10,000 square meter building to house equipment for production of jams, jellies, fruit juices, and dehydrated fruits for domestic and regional markets. Since there is currently a building on the project site, the feasibility study would have to examine the viability of using the existing structure.

Project Site

The orchards and processing plant are located in a fertile valley near Kandahar, which is approximately 400 miles from the capital, Kabul.

Project Status/Timeline

The project is still in conceptual stage and will require a feasibility study to determine the availability and acceptability of the locally grown inputs. The promoter is seeking to reestablish a food processing facility that was once highly successful and based on locally grown fruit and vegetables. It is likely that any future project will have to be developed in phases, which correspond to the redevelopment of the irrigation systems that support the orchards. The primary agricultural and infrastructure development will most likely be undertaken with funding assistance provided by international donors. There is a high potential for RAMP to be involved in the redevelopment of these orchards, which is expected to commence by August 2003.

Equipment and Services

The extent of the equipment and services would be determined by the feasibility study. It is expected that a factory structure of up to 10,000 square meters will be required to house the production equipment, as well as auxiliary services (laboratory, workshop, steam supply, etc.); storage silos and tanks for raw material and chemicals; and a packing facility for manufacturing jams, jellies, juices, and dried fruits.

U.S. Competitiveness

If funding is secured from RAMP, there may be requirement to procure only U.S. manufactured equipment.

Project Financing

This project is expected to receive strong support from RAMP, which will also assist with redevelopment of the irrigation systems, the orchards, and the provision of the technical assistance to local farmers.

The project sponsor is prepared to provide some capital and in-kind contributions for the start-up of the project. There is a possibility of Overseas Private Investment Corporation (OPIC) funding for export-oriented projects of this nature. The sponsor is seeking a strategic technical joint-venture investor to help develop the project.

Key Decision Makers

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